

# City of Socorro

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## Finding the Money to Keep the City Running...

"We are feeling the effects of environmental change and the federal government," Mayor Ravi Bhasker announced recently. "There will be a rate increase for water and solid waste. We'll be getting new equipment for the landfill and a filtering plant for the water, and we're talking not just hundreds of thousands of dollars, but millions. The city will go into debt so rates will rise this fiscal year [July to June]. The city has already been notified that it is in violation so there is a short window of time to correct it."

The rates will reflect recent changes in federal standards or state permitting rules, and the costs will be passed on to the consumers to pay the debts the city incurs meeting those changes.

So, where does the money come from to run the city in the first place? City Finance Officer Mable Gonzales explains: "We run a 15.5 million dollar budget all together. The **General Fund** is 6.2 million, the **Joint Enterprise Fund** is 6.8 million, the remainder (2.5 million) is in smaller funds."

The General fund is tax dollar money. The largest amount comes from gross receipts tax; then: property tax, franchise tax (the tax the electric, cable and telephone companies pay to use city infrastructure), gasoline tax, motor vehicle tax, cigarette tax and recreation tax. The fund also receives money from various city fees and sales: business registrations, liquor licenses, building permits, dog licenses and adoption fees,

ambulance fees, aviation fuel and rental of city properties and equipment. Small amounts come from court and library fines.

The General Fund monies are used to pay for administration (Mayor and City Council and those you see working at City Hall), Public Service/Safety (fire, police, narcotics, animal control), Public Works (airport, mechanic, public transportation), Parks and Culture (parks and library), Streets, Municipal Judge, and Recreation.

The second (and larger) fund is the Joint Enterprises fund. It consists of gas, water, waste water, solid waste, landfill and recycling.

Many cities contract these services out to private enterprises. Socorro does not, and because it doesn't have to make the profit a private enterprise would require, the City can keep the user fees lower. Natural gas is the exception. It is optional--not everyone needs it. Because the City not only must provide the infrastructure for the



Back row: Amanda Vega, utility billing clerk; Bobbi Gonzales, accounts payable clerk; Emena Gonzales, ambulance billing clerk. Front row: Mable Gonzales, Finance Officer; Barbara Silva, cashier; Cassandra Benjamin, delinquent clerk. Missing: Stephanie Saavedra, payroll clerk; Jeanette Lukesh, switchboard.

delivery of the natural gas but must buy the product as well, the price for gas is more than the “cost” of the gas alone. On the other hand, the City produces its own water so fees go to pay only to pump, filter and deliver water.

Joint Enterprise monies can be shifted into the General Fund, but, by law, General Fund monies cannot be used for Joint Enterprise expenditures. Since the City runs its own utilities (except electricity) it does not receive a franchise tax from outside agencies. “I calculate the fee in lieu of franchise taxes for the city run utilities and pay that amount from the Joint Enterprise fund into the General fund to pay administrative costs,” says Gonzales.

Another fund is **Lodger’s Tax**, paid by people who spend a night in area motels. Currently the tax is 5%, with those funds going to sponsor events and activities that will draw tourists in to keep our local businesses thriving by staying in our motels, eating in our restaurants, and paying gross receipts taxes when they shop. The money is also used to advertise Socorro as a tourist destination.

The remainder of the budget comes from the State in several ways:

- **special services**, funding fire and ambulance projects. These moneys must be kept separate and used only for those projects.
- **capital projects**, such as the Plaza and School of Mines Road project. These monies must be tracked so they are put in their own fund.
- **debt service**. Socorro currently has loans for the waste water treatment plant, the High School Road project, the landfill, and the infrastructure loan used to renovate the pool and tennis courts and the Plaza/School of Mines project. Lenders vary depending on who has the “best deal” when the money is needed. The New Mexico Finance Authority and

the New Mexico Environmental Department are typical lenders.

These funds, however, are not enough to keep the City running in the manner to which its citizens are accustomed. Individual departments seek their own grant funding to supplement their budgets. The City Council may also seek additional funds, such as asking the State for money to construct the rodeo arena.

Making it all balance is Gonzales’s full-time job. She has help from City Treasurer Pat Salome. And, “The Mayor watches the funds, budget and cash flow very carefully,” Gonzales says.

## New Bus Route to Rail Runner

When Valencia campus starts classes this fall, students from Socorro will have the opportunity to save gas and ride the city van to school. “We plan to have the van meet the 7:30 Rail Runner, after taking students to Valencia. We’ll run another van [to campus and the Belen train station] mid-morning, one mid-afternoon and one in the evening,” said transportation director Deborah Dean. It’s a good deal at \$1/ride, but reservations will be required to ensure a seat for everyone. Dean plans to institute a pass system for those who plan to ride every day.

“It may require people to make changes to their work schedule if they want to participate,” says Dean. Riders can leave their cars at Sedillo Park. For more information, call 835-1501.

## Employee Anniversaries

5 Years

Denise Herrera

Rick Trujillo

## City Council

Mary Ann Chavez-Lopez

Gordy Hicks

Toby Jaramillo

Donald Monette

Michael Olguin, Jr.

Ernest Pargas, Jr.

Peter Romero

Chuck Zimmerly

Ravi Bhasker, Mayor

Pat Salome, City Clerk